

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007
WITH
INDEPENDENT AUDITORS' REPORT

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name VILLAGE OF CLINTON	County LENAWEE
Fiscal Year End MARCH 31, 2007	Opinion Date MAY 30, 2007	Date Audit Report Submitted to State JUNE 5, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES


NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	NOT NEEDED AT THIS TIME		
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) ROBERTSON, EATON & OWEN, P.C.		Telephone Number (517) 265-6154		
Street Address 121 N. MAIN STREET		City ADRIAN	State MI	Zip 49221
Authorizing CPA Signature 		Printed Name GARY OWEN		License Number 1101008646

VILLAGE OF CLINTON, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended March 31, 2007

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VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended March 31, 2007

As management of the Village of Clinton, Michigan, we offer readers of the Village of Clinton, Michigan's financial statements this narrative overview and analysis of the financial activities of the Village of Clinton, Michigan for the fiscal year ended March 31, 2007. We encourage readers to consider the information presented here.

Financial Highlights

- ◆ The assets of the Village of Clinton, Michigan exceeded its liabilities at the close of the most recent fiscal year \$13,458,928 (*net assets*). Of this amount, \$2,092,136 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net assets increased \$534,046. This increase included \$400,000 in bequests received from the John F. Robison Estate.
- ◆ As of the close of the current year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$4,068,605, an increase of \$443,884 in comparison with the prior year.
- ◆ At the end of the current year, unreserved fund balance for the general fund was \$599,580, or 56 % percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Clinton, Michigan's basic financial statements. The Village of Clinton, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Clinton, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Village of Clinton, Michigan's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Clinton, Michigan is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Clinton, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Clinton, Michigan include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the Village of Clinton, Michigan include the utility systems.

The government-wide financial statements include not only the Village of Clinton, Michigan itself (known as the *primary government*), but also a legally separate Downtown Development Authority (DDA) for which the Village of Clinton, Michigan is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 5 – 8 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Clinton, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Clinton, Michigan can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Clinton, Michigan maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and permanent funds, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Clinton, Michigan adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all governmental funds (except the permanent funds) to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 9 – 15 of this report.

Proprietary funds. The Village of Clinton, Michigan maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village of Clinton, Michigan uses enterprise funds to account for its electric, water, and sewer funds. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the Village of Clinton, Michigan's various functions. The Village of Clinton, Michigan uses an internal service fund to account for equipment and charge out expense (Equipment Fund). Because this service predominantly benefits governmental rather than a business-type function it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer Funds, which are considered to be major funds of the Village of Clinton, Michigan. The internal service fund (Equipment Fund) is in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 16 – 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 44 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following notes to the financing statements. Combining statements and individual fund schedules can be found on pages 45 – 52 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Clinton, Michigan, assets exceeded liabilities by \$13,458,928 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net assets (50 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Clinton, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Clinton, Michigan's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Clinton, Michigan's Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2007 Total</u>	<u>2006 Total</u>
Current and other assets	\$ 4,179,885	\$ 2,970,879	\$ 7,150,764	\$ 7,117,391
Capital assets	<u>2,963,041</u>	<u>7,997,142</u>	<u>10,960,183</u>	<u>10,565,366</u>
Total assets	<u>\$ 7,142,926</u>	<u>\$ 10,968,021</u>	<u>\$ 18,110,947</u>	<u>\$ 17,682,757</u>
Long term liabilities outstanding	424,000	3,655,000	4,079,000	3,632,872
Other liabilities	<u>172,578</u>	<u>400,441</u>	<u>573,019</u>	<u>937,188</u>
Total liabilities	<u>\$ 596,578</u>	<u>\$ 4,055,441</u>	<u>\$ 4,652,019</u>	<u>\$ 4,570,060</u>
Net assets:				
Invested in capital assets, net of related debt	2,511,041	4,167,142	6,678,183	6,908,210
Restricted	3,455,708	1,232,901	4,688,609	4,146,017
Unrestricted	<u>579,599</u>	<u>1,512,537</u>	<u>2,092,136</u>	<u>2,058,470</u>
Total net assets	<u>\$ 6,546,348</u>	<u>\$ 6,912,580</u>	<u>\$ 13,458,928</u>	<u>\$ 13,112,697</u>

An additional portion of the Village of Clinton, Michigan's net assets (35 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$2,092,136) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village of Clinton, Michigan is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Clinton, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village of Clinton, Michigan's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Clinton, Michigan's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$4,068,605, an increase of \$443,884 in comparison with the prior year. Reserved fund balance (\$3,220,430) is not available for new spending since it already is committed. Permanent (Trusts) fund money (\$3,079,170) represent most of the reserved fund balance. Special Revenue Funds have \$248,595 available for their special uses.

The general fund is the chief operating fund of the Village of Clinton, Michigan. At the end of the current fiscal year, unreserved fund balance of the general fund was \$599,580.

The fund balance of the Village of Clinton, Michigan's general fund decreased by \$(1,666) during the current fiscal year.

Proprietary fund - The Village of Clinton, Michigan's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the utility funds at the end of the year amounted to \$1,512,537. The total increase in net assets for the fund was \$134,544.

General Fund Budgetary Highlights

- Elections came in \$97 higher than budgeted.
- Building and Grounds equipment rental came in \$4,969 higher than budgeted.
- Planning Commission professional services came in \$3,628 higher than budgeted.
- Street Lighting came in \$3,742 higher than budgeted.
- Sanitation came in \$840 higher than budgeted.
- Transfers in were \$37,873 less than budgeted because we were not able to start the Pedestrian Bridge Project.

Capital Asset and Debt Administration

Capital assets. The Village of Clinton, Michigan's investment in capital assets for its governmental and business-type activities as of March 31, 2007, amounts to \$10,960,183 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The total increase in the Village of Clinton, Michigan's investment in capital assets for the current fiscal year was (3.7 %) (a 7.6 % decrease for governmental activities and a (8.6) percent increase for business-type activities).

Major capital asset event during the current fiscal year was:

- ◆ Construction on Sewer Plant (\$847,224).
with related debt incurred of (\$819,128).

Village of Clinton, Michigan's Capital Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 285,152	\$ 30,644	\$ 315,796
Land improvements	347,861		347,861
Buildings	445,332		445,332
Equipment and furnishings	546,641		546,641
Infrastructure	1,338,055	7,966,498	9,304,553
Construction in progress			
Total	<u>\$ 2,963,041</u>	<u>\$ 7,997,142</u>	<u>\$ 10,960,183</u>

Additional information on the Village of Clinton's capital assets can be found in Note 3. C. on pages 32 – 34.

Long-term debt. At the end of the current fiscal year, the Village of Clinton, Michigan had total bonded and note debt outstanding of \$4,411,000 which is backed by the full faith and credit of the government.

Village of Clinton, Michigan's Outstanding Debt General Obligation Bonds

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>DDA</u>	<u>Total</u>
General obligation bonds	\$ 365,000	\$	\$ 85,000	\$ 450,000
Revenue Bonds		3,830,000		3,830,000
Installment Purchase Loans	<u>87,000</u>	<u></u>	<u>44,000</u>	<u>131,000</u>
Total	<u>\$ 452,000</u>	<u>\$ 3,830,000</u>	<u>\$ 129,000</u>	<u>\$ 4,411,000</u>

Additional information on the Village of Clinton, Michigan's long-term debt can be found in Note 3. E. on pages 37 –39 of this report.

Economic Factors and Next Year's Budgets and Rates

The Village anticipates a more challenging budget this fiscal year with the difficult economic environment of the state. The budget therefore reflects reduced revenues and costs in certain portions of the budget. The FY Budget for 2007-08 reflects a 14 percent cut in statutory revenue sharing, decreased building permit revenue, significantly less sewer revenue, and water sales are expected to be slightly short of last year.

Requests for Information

This financial report is designed to provide a general overview of the Village of Clinton, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Clinton, 119 East Michigan Avenue, P.O. Box Drawer E, Clinton, Michigan 49236.

May 30, 2007

INDEPENDENT AUDITORS' REPORT

Village Council
Village of Clinton
Clinton, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Clinton, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April , 2007 on our consideration of Village of Clinton, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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May 30, 2007

Village Council
Village of Clinton
Clinton, Michigan

The management's discussion and analysis on pages i through vii are is a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Clinton, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Robertson, Eaton & Owen, P.C.

May 30, 2007

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Village Council
Village of Clinton
Clinton, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Village of Clinton, Michigan's basic financial statements and have issued our report thereon dated May 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Village of Clinton, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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May 30, 2007

Village Council
Village of Clinton
Clinton, Michigan

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Clinton, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of Village of Clinton, Michigan, Departments of the State of Michigan, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robertson, Eaton & Owen, P.C.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

March 31, 2007

With Comparative Totals for March 31, 2006

	PRIMARY GOVERNMENT			COMPONENT UNIT	
	Governmental Activities	Business-Type Activities	2007	Total	Downtown Development Authority
ASSETS					
Cash	\$ 642,925	\$ 499,838	\$ 1,142,763	\$	\$ 130,895
Investments	3,341,254	904,826	4,246,080		3,700,746
Receivables (net of allowance for uncollectibles):					
Accounts	59,977	450,669	510,646		1,055,467
Prepaid expenses	23,729	19,207	42,936		41,403
Internal balances	112,000	(112,000)	-		-
Due from primary government					2,963
Inventories		49,109	49,109		32,364
Restricted assets:					
Cash		21,420	21,420		22,235
Investments in joint venture		1,137,810	1,137,810		989,533
Capital assets:					
Land	285,152	30,644	315,796		296,796
Land improvements	569,864		569,864		568,443
Machinery, equipment; and furnishings	1,673,430	1,248,275	2,921,705		2,728,837
Buildings	1,201,950	6,403,736	7,605,686		5,208,591
Infrastructure	4,071,393	3,499,771	7,571,164		7,568,377
Less: Accumulated depreciation	(4,838,748)	(3,185,284)	(8,024,032)		(9,127)
Construction in progress					3,423,395
Total assets	\$ 7,142,926	\$ 10,968,021	\$ 18,110,947	\$ 17,682,757	\$ 497,329

	PRIMARY GOVERNMENT			COMPONENT UNIT	
	Governmental Activities	Business-Type Activities	2007	Total	Downtown Development Authority
LIABILITIES					
Accounts payable	\$ 28,587	\$ 102,620	\$ 131,207	\$	\$
Accrued liabilities	24,039	15,583	39,622	48,814	
Liabilities payable from restricted assets		21,420	21,420	22,235	
Due to component unit	2,963		2,963	2,963	3,504
Interest payable	8,275		8,275	10,094	
Accrued sick and vacation pay – current	28,857	85,818	114,675	105,057	
Noncurrent liabilities:					
Due within one year	79,857	175,000	254,857	71,700	35,000
Due in more than one year	424,000	3,655,000	4,079,000	3,632,872	94,000
Total liabilities	596,578	4,055,441	4,652,019	4,570,060	132,504
NET ASSETS:					
Invested in capital assets, net of related debt	2,511,041	4,167,142	6,678,183	6,908,210	230,184
Restricted for:					
Investment in joint venture (Note 7)					
Water Treatment Plant		1,137,810	1,137,810	989,533	
Highways and streets		95,091	95,091	133,009	
Public safety	129,416		129,416	142,032	
Culture and recreation	52,315		52,315	31,851	
Debt Service	82,646		82,646	71,787	
Permanent Funds:	161		161	151	
Expendable	1,604,062		1,604,062	1,435,542	
Nonexpendable	1,587,108		1,587,108	1,342,112	
Unrestricted	579,599	1,512,537	2,092,136	2,058,470	134,641
Total net assets	\$ 6,546,348	\$ 6,912,580	\$ 13,458,928	\$ 13,112,697	\$ 364,825

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2007

With Comparative Totals for the Year Ended March 31, 2006

PROGRAM REVENUES				
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>
Functions/Programs				
Primary Government:				
Governmental activities:				
General government	\$ 515,622	\$	\$ 950	\$
Public safety	626,176	223,267		
Culture and recreation	158,563	22,491		76,672
Sanitation	87,340	86,289		
Highways and streets	336,129			
Interest on long term debt	<u>12,571</u>			
Total governmental activities	<u>1,736,401</u>	<u>332,047</u>	<u>950</u>	<u>76,672</u>
Business-Type Activities:				
Electric Fund	2,705,835	2,713,105		
Water Fund	227,321	165,160		
Sewer Fund	<u>652,944</u>	<u>581,758</u>		
Total business-type activities	<u>3,586,100</u>	<u>3,460,023</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 5,322,501</u>	<u>\$ 3,792,070</u>	<u>\$ 950</u>	<u>\$ 76,672</u>
Component Unit:				
Downtown Development Authority	\$ 15,427	\$	\$	\$
Interest on long term debt	<u>8,034</u>			
Total component unit	<u>\$ 23,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues:				
Property taxes				
Intergovernmental – State				
Licenses, fees, and fines				
Contributions not restricted to specific programs				
Investment earnings				
Miscellaneous revenues				
Transfers				
Transfer From Component Unit				
Total general revenues and transfers				
Change in net assets				
Net assets – beginning of year				
Capitalize Streetscape costs				
Net assets – end of year				

The notes to the financial statements are an integral part of this statement.

**NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS**

PRIMARY GOVERNMENT				COMPONENT UNIT
Governmental Activities	Business-Type Activities	Total		Downtown Development Authority
		2007	2006	
\$ (515,622)	\$	\$ (515,622)	\$ (309,148)	\$
(325,287)		(325,287)	(420,439)	
(136,072)		(136,072)	(27,063)	
(1,051)		(1,051)	(2,323)	
(336,129)		(336,129)	(256,540)	
(12,571)		(12,571)	(18,662)	
<u>(1,326,732)</u>	<u>-</u>	<u>(1,326,732)</u>	<u>(1,034,175)</u>	<u>-</u>
	7,270	7,270	(29,692)	
	(62,161)	(62,161)	30,540	
	<u>(71,186)</u>	<u>(71,186)</u>	<u>125,859</u>	
-	<u>(126,077)</u>	<u>(126,077)</u>	<u>126,707</u>	-
<u>\$ (1,326,732)</u>	<u>\$ (126,077)</u>	<u>\$ (1,452,809)</u>	<u>\$ (907,468)</u>	<u>\$ -</u>
-				(15,427)
				<u>(8,034)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>\$</u>	<u>\$ (23,461)</u>
641,697		641,697	620,340	87,886
354,330		354,330	358,348	
10,260		10,260	40,093	
400,000		400,000	107,499	
201,037	67,421	268,458	143,767	1,774
134,433	148,277	282,710	224,702	
(44,923)	44,923	-	-	
<u>29,400</u>		<u>29,400</u>	<u>27,400</u>	<u>(29,400)</u>
<u>1,726,234</u>	<u>260,621</u>	<u>1,986,855</u>	<u>1,522,149</u>	<u>60,260</u>
399,502	134,544	534,046	614,681	36,799
6,334,661	6,778,036	13,112,697	12,498,016	140,211
<u>(187,815)</u>		<u>(187,815)</u>		<u>187,815</u>
<u>\$ 6,546,348</u>	<u>\$ 6,912,580</u>	<u>\$ 13,458,928</u>	<u>\$ 13,112,697</u>	<u>\$ 364,825</u>

VILLAGE OF CLINTON, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

March 31, 2007
With Comparative Totals for March 31, 2006

ASSETS	General	Fire	PERMANENT FUNDS			Other Governmental Funds	Governmental Funds 2007	Total Governmental Funds 2006
			Village of Clinton	Robison Trust	John F. Robison Tate Park			
Cash	\$ 370,947	\$ 36,085		\$	1,651,503		\$ 614,011	\$ 727,838
Investments	168,590	29,099	1,492,062				3,341,254	2,815,524
Receivables:								
Accounts	42,417	180				17,163	59,760	34,035
Due from other funds	64,395					2,569	66,964	2,569
Advance to other funds			112,000				112,000	125,000
Prepaid expense	14,064	7,651				2,014	23,729	23,221
Construction in progress								187,815
Total assets	\$ 660,413	\$ 73,015	\$ 1,604,062		\$ 1,651,503	\$ 228,725	\$ 4,217,718	\$ 3,916,002

LIABILITIES AND FUND BALANCES

Liabilities:								
Accounts payable	19,149	5,975				1,286	26,410	37,711
Accrued liabilities	7,487					1,707	9,194	32,860
Due to other funds	2,377				64,395	192	66,964	2,569
Due to component unit	2,963						2,963	2,963
Accrued sick and vacation pay	28,857	14,725					28,857	27,363
Deferred revenue							14,725	
Total liabilities	60,833	20,700	-		64,395	3,185	149,113	103,466
Fund Balances:								
Reserved For:								
Debt service							161	151
Advances			112,000				112,000	125,000
Endowment			1,372,220				1,372,220	1,217,112
Tate Park					1,587,108		1,587,108	1,376,818
Fire Department Vehicles		29,099					29,099	
Unreserved, Reported In:								
General Fund	599,580	23,216				225,379	599,580	601,246
Special Revenue Funds							248,595	245,670
Capital Projects Fund								187,815
Permanent Funds							119,842	58,724
Total fund balances	599,580	52,315	1,604,062		1,587,108	225,540	4,068,605	3,812,536
Total liabilities and fund balances	\$ 660,413	\$ 73,215	\$ 1,604,062		\$ 1,651,503	\$ 228,725	\$ 4,217,718	\$ 3,916,002

The notes to the financial statements are a

VILLAGE OF CLINTON, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

March 31, 2007

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	\$ 2,963,041
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.	(8,275)
Long-term portion of accrued sick and vacation pay liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(51,857)
Loan indebtedness are recognized in the governmental funds when paid and not when accrued.	(452,000)
Internal Service Fund (Equipment Fund) is used by the Village to charge for equipment rental to individual funds. The assets and liabilities of the Equipment Fund are included in governmental activities in the Statement of Net Assets. Note: The net capital assets (\$222,729) of the Equipment Fund are included in the Capital Asset figure above (\$2,963,041), and not in this adjustment.	26,834
Net differences	2,477,743
Total fund balance in governmental funds	<u>4,068,605</u>
Total net assets of governmental activities	<u>\$ 6,546,348</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2006

	<u>General</u>	<u>Fire</u>	<u>PERMANENT FUNDS</u>			<u>Other Governmental Funds</u>	<u>2007</u>	<u>2006</u>
			<u>Village of Clinton</u>	<u>John F. Robison Tate Park</u>	<u>Robison Trust</u>			
Revenues:								
Property taxes	\$ 589,796	\$	\$	\$		\$ 51,901	\$ 641,697	\$ 620,340
Intergovernmental revenues	214,159	76,672				141,121	431,952	367,092
Licenses, fees and charges for services	133,397					3,940	137,337	176,013
Rentals	12,908					8,015	20,923	18,134
Interest	26,754	5,765	64,811	62,502		10,112	169,944	130,882
Other	31,723	5,869				441	38,033	128,833
Townships		204,970					204,970	172,951
Contributions			200,000	200,000			400,000	214,998
Realized gain (loss) on investment			(2,200)	(2,200)			(4,400)	(2,168)
Unrealized gain (loss) on investment			15,962	18,012			33,974	(27,635)
Total revenues	<u>1,008,737</u>	<u>293,276</u>	<u>278,573</u>	<u>278,314</u>		<u>215,530</u>	<u>2,074,430</u>	<u>1,799,440</u>
Expenditures:								
Current:								
General government	415,217			3,629			422,539	420,423
Public safety	408,276	272,812	3,693				681,088	587,004
Culture and recreation	108,755					56,992	165,747	144,292
Sanitation	87,340						87,340	84,556
Highways and streets	51,942					176,978	228,920	189,333
Debt Service:								
Principal						15,000	15,000	15,000
Interest						14,390	14,390	14,848
Total expenditures	<u>1,071,530</u>	<u>272,812</u>	<u>3,693</u>	<u>3,629</u>		<u>263,360</u>	<u>1,615,024</u>	<u>1,455,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,793)</u>	<u>20,464</u>	<u>274,880</u>	<u>274,685</u>		<u>(47,830)</u>	<u>459,406</u>	<u>343,984</u>
Other financing sources (uses):								
Transfers in	91,127					74,400	165,527	91,532
Transfers out	(30,000)		(71,654)	(64,395)		(15,000)	(181,049)	(64,132)
Total other financing sources (uses)	<u>61,127</u>	<u>-</u>	<u>(71,654)</u>	<u>(64,395)</u>		<u>59,400</u>	<u>(15,522)</u>	<u>27,400</u>
Net change in fund balances	(1,666)	20,464	203,226	210,290		11,570	443,884	371,384
Fund balances at beginning of year	<u>601,246</u>	<u>31,851</u>	<u>1,400,836</u>	<u>1,376,818</u>		<u>213,970</u>	<u>3,624,721</u>	<u>3,441,152</u>
Fund balances at end of year	<u>\$ 599,580</u>	<u>\$ 52,315</u>	<u>\$ 1,604,062</u>	<u>\$ 1,587,108</u>		<u>\$ 225,540</u>	<u>\$ 4,068,605</u>	<u>\$ 3,812,536</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended March 31, 2007

Amounts reported for governmental activities in the Statement of
Activities are different because:

Net change in fund balance – total governmental funds	\$	443,884
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Government funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation was more than capital outlay in the current period. (Total capital outlay \$215,991 less total depreciation \$254,236).		(38,245)
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Note: Capital outlay does not include Equipment Fund capital asset additions or its depreciation.

This issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these assets. This amount is the net effect of these differences in the treatment of long-term debt.

Debt incurred during current year	-		
Less: Principal repayment	<u>23,000</u>		23,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds –

Accrued interest – net		
Accrued long-term sick and vacation pay – net effect		1,819
		(3,157)

Internal Service Fund (Equipment Fund) is used by the Village to charge equipment rental to individual funds. The net loss of this activity is reported with governmental activities.		<u>(27,799)</u>
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Change in net assets in governmental activities	\$	<u>399,502</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 577,000	\$ 590,000	\$ 589,796	\$ (204)
Intergovernmental revenue	197,850	197,850	214,159	16,309
Licenses, fees and charges for services	101,100	129,100	133,397	4,297
Rentals	10,900	10,900	12,908	2,008
Interest	15,000	20,000	26,754	6,754
Other	<u>130,000</u>	<u>130,000</u>	<u>31,723</u>	<u>(98,277)</u>
Total revenues	<u>1,031,850</u>	<u>1,077,850</u>	<u>1,008,737</u>	<u>(69,113)</u>
Expenditures:				
General Government:				
Council	13,530	13,530	13,328	202
Administration	105,030	110,030	96,115	13,915
Election	300	300	397	(97)
Buildings and grounds	215,850	225,850	228,803	(2,953)
Planning Commission	6,460	13,750	16,352	(2,602)
Professional service	3,000	49,692	43,921	5,771
Insurance	<u>17,900</u>	<u>17,900</u>	<u>16,301</u>	<u>1,599</u>
Total General Government	<u>362,070</u>	<u>431,052</u>	<u>415,217</u>	<u>15,835</u>
Public Safety:				
Police Department	389,424	395,424	390,369	5,055
Building and zoning inspection	<u>18,100</u>	<u>18,100</u>	<u>17,907</u>	<u>193</u>
Total Public Safety	<u>407,524</u>	<u>413,524</u>	<u>408,276</u>	<u>5,248</u>
Highways and Streets:				
Street lighting	48,000	48,000	51,742	(3,742)
Sidewalk	<u>5,000</u>	<u>5,000</u>	<u>200</u>	<u>4,800</u>
Total Highways and Streets	<u>53,000</u>	<u>53,000</u>	<u>51,942</u>	<u>1,058</u>
Sanitation:				
Waste collection and disposal	<u>86,500</u>	<u>86,500</u>	<u>87,340</u>	<u>(840)</u>
Culture – Recreation:				
Parks	<u>219,800</u>	<u>246,800</u>	<u>108,755</u>	<u>138,045</u>
Total expenditures	<u>\$ 1,128,894</u>	<u>\$ 1,230,876</u>	<u>\$ 1,071,530</u>	<u>\$ 159,346</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	\$ (97,044)	\$ (153,026)	\$ (62,793)	\$ 90,233
Other financing sources (uses):				
Transfers in	92,000	129,000	91,127	(37,873)
Transfers out	<u>(42,540)</u>	<u>(69,010)</u>	<u>(30,000)</u>	<u>39,010</u>
Total other financing sources (uses)	<u>49,460</u>	<u>59,990</u>	<u>61,127</u>	<u>1,137</u>
Net change in fund balance	(47,584)	(93,036)	(1,666)	91,370
Fund balance – beginning of year			<u>601,246</u>	
Fund balance – end of year			<u>\$ 599,580</u>	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

FIRE FUND SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 100	\$ 100	\$ 5,869	\$ 5,769
Township contributions	197,820	197,820	204,970	7,150
Interest	200	200	5,765	5,565
Grant proceeds	<u>90,000</u>	<u>90,000</u>	<u>76,672</u>	<u>(13,328)</u>
Total revenues	<u>288,120</u>	<u>288,120</u>	<u>293,276</u>	<u>5,156</u>
Expenditures:				
Wages	84,000	84,000	68,728	15,272
Benefits	12,130	12,130	11,601	529
Supplies	21,000	21,000	20,002	998
Professional fees	700	700	487	213
Communications	5,000	5,000	11,933	(6,933)
Workshops	6,000	6,000	7,121	(1,121)
Gas and oil	3,500	3,500	2,669	831
Insurance	14,000	14,000	12,667	1,333
Utilities	8,000	8,000	8,157	(157)
Equipment maintenance	6,000	6,000	2,549	3,451
Truck maintenance	9,000	9,000	10,249	(1,249)
Building maintenance	5,000	5,000	1,964	3,036
Capital outlay	120,000	120,000	114,685	5,315
Reserve Fund transfer	<u>8,790</u>	<u>8,790</u>	<u> </u>	<u>8,790</u>
	<u>303,120</u>	<u>303,120</u>	<u>272,812</u>	<u>30,308</u>
Excess (deficiency) of revenues over (under) expenditures	(15,000)	(15,000)	20,464	35,464
Fund balance – beginning of year			<u>31,851</u>	
Fund balance – end of year			<u>\$ 52,315</u>	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

March 31, 2007

With Comparative Totals for March 31, 2006

	<u>BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS</u>					<u>GOVERNMENTAL ACTIVITIES</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Proprietary Funds 2007</u>	<u>2006</u>	<u>Internal Service Fund</u>
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 295,262	\$ 96,427	\$ 108,149	\$ 499,838	\$ 508,758	\$ 28,914
Investments	723,363	58,043	123,420	904,826	885,222	
Receivables:						
Accounts	295,950	14,997	60,429	371,376	387,343	
Due from State			69,078	69,078	627,546	
Accrued interest	6,324	1,135	2,756	10,215	6,326	217
Prepaid expenses and other assets	10,827	3,370	5,010	19,207	18,182	
Inventories	49,109			49,109	32,364	
Total current assets	<u>1,380,835</u>	<u>173,972</u>	<u>368,842</u>	<u>1,923,649</u>	<u>2,465,741</u>	<u>29,131</u>
Noncurrent assets:						
Restricted assets:						
Cash	<u>18,620</u>	<u>620</u>	<u>2,180</u>	<u>21,420</u>	<u>22,235</u>	<u>-</u>
Investment in joint venture	<u>1,137,810</u>	<u>-</u>	<u>-</u>	<u>1,137,810</u>	<u>989,533</u>	<u>-</u>
Capital assets:						
Land	17,495	3,000	10,149	30,644	30,644	
Buildings	490,113	73,714	5,839,909	6,403,736	4,054,166	
Utility systems	1,713,744	1,028,925	757,102	3,499,771	3,499,771	
Equipment/trucks	1,040,750	115,015	92,510	1,248,275	1,239,140	966,028
Construction in Progress					3,235,580	
Less: Accumulated depreciation	<u>(2,336,561)</u>	<u>(568,708)</u>	<u>(280,015)</u>	<u>(3,185,284)</u>	<u>(4,700,960)</u>	<u>(743,299)</u>
Total capital assets – net	<u>925,541</u>	<u>651,946</u>	<u>6,419,655</u>	<u>7,997,142</u>	<u>7,358,341</u>	<u>222,729</u>
Total, noncurrent assets	<u>2,081,971</u>	<u>652,566</u>	<u>6,421,835</u>	<u>9,156,372</u>	<u>8,370,109</u>	<u>222,729</u>
Total assets	<u>\$ 3,462,806</u>	<u>\$ 826,538</u>	<u>\$ 6,790,677</u>	<u>\$ 11,080,021</u>	<u>\$ 10,835,850</u>	<u>\$ 251,860</u>

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

March 31, 2007

With Comparative Totals for March 31, 2006

	<u>BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS</u>					<u>GOVERNMENTAL ACTIVITIES</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Proprietary Funds 2007</u>	<u>2006</u>	<u>Internal Service Fund</u>
LIABILITIES:						
Current liabilities:						
Accounts payable	\$ 4,789	\$ 2,813	\$ 95,018	\$ 102,620	\$ 636,179	\$ 2,177
Accrued expenses	12,420	1,037	2,126	15,583	15,834	120
Advance Payable to other funds		35,840	76,160	112,000	125,000	
SRF loan payable			175,000	175,000	170,000	
Total current liabilities	17,209	39,690	348,304	405,203	947,013	2,297
Current liabilities payable from restricted assets:						
Customer deposits	18,620	620	2,180	21,420	22,235	-
Noncurrent liabilities:						
Accrued leave	41,082	13,332	31,404	85,818	77,694	-
SRF loan payable			3,655,000	3,655,000	3,010,872	
Total liabilities	76,911	53,642	4,036,888	4,167,441	4,057,814	2,297
Net assets:						
Invested in capital assets, net of related debt	925,541	651,946	2,589,655	4,167,142	4,176,185	222,729
Restricted in joint venture	1,137,810			1,137,810	989,533	
Reserved for water treatment plant		95,091		95,091	133,009	
Unrestricted	1,322,544	25,859	164,134	1,512,537	1,479,309	26,834
Total net assets	\$ 3,385,895	\$ 772,896	\$ 2,753,789	\$ 6,912,580	\$ 6,778,036	\$ 249,563

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	Electric Fund	Water Fund	Sewer Fund	Total Proprietary Funds 2007	Total Proprietary Funds 2006	Internal Service Fund
Operating revenues:						
Metered sales	\$ 2,673,713	\$ 146,059	\$ 547,917	\$ 3,367,689	\$ 3,330,749	\$
Penalties and service charges	28,754	15,918	29,389	74,061	161,338	
Miscellaneous	6,315	3,183	4,452	13,950	6,616	1,011
Rentals	<u>4,323</u>			<u>4,323</u>	<u>4,437</u>	<u>74,465</u>
Total operating revenues	<u>2,713,105</u>	<u>165,160</u>	<u>581,758</u>	<u>3,460,023</u>	<u>3,503,140</u>	<u>75,476</u>
Operating expenses:						
Light plant	78,730			78,730	68,345	
Purchased power	1,995,950			1,995,950	2,075,340	
Administrative	252,886	73,213	61,887	387,986	356,837	
Electric distribution system	299,197			299,197	320,451	
Water distribution		137,530		137,530	74,848	
Collection system			85,927	85,927	43,358	
Sewer treatment plant			275,217	275,217	264,931	
Depreciation	79,072	14,778	114,573	208,423	166,113	56,399
Professional services						
Equipment operation and maintenance			<u>111,514</u>	<u>111,514</u>		<u>48,395</u>
Total operating expenses	<u>2,705,835</u>	<u>225,521</u>	<u>649,118</u>	<u>3,580,474</u>	<u>3,370,223</u>	<u>104,794</u>
Operating income (loss)	<u>7,270</u>	<u>(60,361)</u>	<u>(67,360)</u>	<u>(120,451)</u>	<u>132,917</u>	<u>(29,318)</u>
Nonoperating revenues (expenses):						
Income from joint venture	148,277			148,277	172,735	
Interest income	42,110	8,612	16,699	67,421	42,688	1,519
Interest expense		<u>(1,800)</u>	<u>(3,826)</u>	<u>(5,626)</u>	<u>(6,210)</u>	
Total nonoperating revenues (expenses)	<u>190,387</u>	<u>6,812</u>	<u>12,873</u>	<u>210,072</u>	<u>209,213</u>	<u>1,519</u>
Income (loss) before transfers	197,657	(53,549)	(54,487)	89,621	342,130	(27,799)
Transfers in			<u>44,923</u>	<u>44,923</u>		
Change in net assets	197,657	(53,549)	(9,564)	134,544	342,130	(27,799)
Total net assets – beginning of year	<u>3,188,238</u>	<u>826,445</u>	<u>2,763,353</u>	<u>6,778,036</u>	<u>6,435,906</u>	<u>277,362</u>
Total net assets – end of year	<u>\$ 3,385,895</u>	<u>\$ 772,896</u>	<u>\$ 2,753,789</u>	<u>\$ 6,912,580</u>	<u>\$ 6,778,036</u>	<u>\$ 249,563</u>

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended March 31, 2007

With Comparative Totals for the Year Ended March 31, 2006

DECREASE IN CASH AND CASH EQUIVALENTS

	<u>BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS</u>					<u>GOVERNMENTAL ACTIVITIES</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Proprietary Funds 2007</u>	<u>2006</u>	<u>Internal Service Fund</u>
Cash flows from operating activities:						
Cash received from Customers	\$ 2,731,361	\$ 164,664	\$ 594,464	\$ 3,490,489	\$ 3,468,690	\$
Cash paid to suppliers/ Employees	<u>(2,641,327)</u>	<u>(205,235)</u>	<u>(529,680)</u>	<u>(3,376,242)</u>	<u>(3,203,087)</u>	<u> </u>
Net cash provided by (used in) operating Activities	<u>90,034</u>	<u>(40,571)</u>	<u>64,784</u>	<u>114,247</u>	<u>265,603</u>	<u>26,823</u>
Cash flows from noncapital financing activities:						
SRF Loan Proceeds			649,128	649,128	2,553,326	
Transfer to Equipment Fund						
Transfer from Robison Trust Fund			44,923	44,923		
Payment on Advances		<u>(4,160)</u>	<u>(8,840)</u>	<u>(13,000)</u>	<u>(13,000)</u>	
Net cash provided by (used in) noncapital financing activities		<u>(4,160)</u>	<u>685,211</u>	<u>681,051</u>	<u>2,540,326</u>	
Cash flows from investing activities:						
Capital expenditures	(9,135)		(837,989)	(847,124)	(2,664,338)	(38,475)
Interest received	42,110	8,612	16,699	67,421	42,688	1,519
Interest expense		<u>(1,800)</u>	<u>(3,826)</u>	<u>(5,626)</u>	<u>(6,210)</u>	
Net cash used by investing activities	<u>32,975</u>	<u>6,812</u>	<u>(825,116)</u>	<u>(785,329)</u>	<u>(2,627,860)</u>	<u>(36,956)</u>
Net decrease in cash and cash equivalents	123,009	(37,919)	(75,121)	9,969	178,069	(10,133)
Cash and cash equivalents – beginning of year	<u>\$ 914,236</u>	<u>\$ 193,009</u>	<u>\$ 308,870</u>	<u>1,416,115</u>	<u>1,238,046</u>	<u>39,047</u>
Cash and cash equivalent – end of year	<u>\$ 1,037,245</u>	<u>\$ 155,090</u>	<u>\$ 233,749</u>	<u>\$ 1,426,084</u>	<u>\$ 1,416,115</u>	<u>\$ 28,914</u>

Change in investment in joint venture (\$148,277) is a noncash transaction and does not effect cash flow in Electric Fund

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For Fiscal Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2006

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES

	<u>BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS</u>					<u>GOVERNMENTAL ACTIVITIES</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Proprietary Funds 2007</u>	<u>2006</u>	<u>Internal Service Fund</u>
Operating income (loss)	\$ 7,270	\$ (60,361)	\$ (67,360)	\$ (120,451)	\$ 132,917	\$ (29,318)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	79,072	14,778	114,573	208,423	166,113	56,399
(Increase) decrease in:						
Receivables	18,671	(446)	552,321	570,546	(37,215)	
Prepaid expenses	(629)		(396)	(1,025)		
Inventories	(16,745)			(16,745)	12,464	
Increase (decrease) in:						
Accrued expenses and other liabilities	3,125	2,330	(539,265)	(533,810)	(13,190)	(258)
Accrued leave	(315)	3,178	5,261	8,124	1,749	
Customer deposits	(415)	(50)	(350)	(815)	2,765	
Due to other funds						
Net cash provided by (used in) operating activities	<u>\$ 90,034</u>	<u>\$ (40,571)</u>	<u>\$ 64,784</u>	<u>\$ 114,247</u>	<u>\$ 265,603</u>	<u>\$ 26,823</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Clinton, Michigan (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units

Effective April 1, 2004, the Village of Clinton, Michigan implemented the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Significant changes in the statement include the following:

- ◆ A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Village’s overall financial position and results of operations has been included with the financial statements.
- ◆ Financial statements prepared using full accrual accounting for all of the Village’s activities.
- ◆ A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village of Clinton, Michigan has elected to implement the general provisions of the statement.

A. Reporting Entity

The Village of Clinton is a Michigan Municipal Corporation governed by the Village Council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component unit.

Downtown Development Authority (DDA) was created as a separate legal entity under Public Act 197 of 1975 of the State of Michigan. The purpose of the DDA is to plan and develop the downtown area of the Village and to attract new businesses and residents. The governing body of DDA is appointed by the Village Council for a fixed term. The Village approves the annual budget and any capital projects of DDA. Prior approval by the Village is needed on any taxation by DDA. And, the Village’s approval is needed for any borrowing done by DDA. The Downtown Development Authority is presented as a governmental fund type.

Separate financial statements for the component unit are not available.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and permanent funds. Major individual governmental funds and major individual utility funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for the acquisition and construction of major capital projects other than those financed by proprietary funds or trust funds.

Permanent Funds – The *Village of Clinton Robison Trust Fund* is a Nonexpendable Trust Fund in which the principal may not be expended. The *John f. Robison Tate Park Trust Fund* is a Trust Fund in which the resources, both principal and interest, may be expended. See Notes 8 and 9 for further details on these Trusts.

The government reports the following major proprietary funds:

The *Electric Fund* accounts for the activities of the Village's electric distribution operations.

The *Water Fund* accounts for the acquisition, operation, and maintenance of the Village's water system.

The *Sewer Fund* accounts for the acquisition, operation, and maintenance of the Village's sewer system.

Additionally, the government reports the following fund types:

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Special Revenue Funds (Major Street, Local Street, Community Center Fund, Fire Fund, and Softball Program)) are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The *Internal Service Fund* (Equipment Fund) is used to account for equipment acquisition, maintenance and operation, and provides equipment rental to other funds or departments of the Village.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities (utility and motor vehicle funds), subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Village's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts reported as *program revenues* included 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for sales and services. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, liabilities, and net assets or equity.

1. Cash and investments

Cash includes amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates over three months of the date acquired by the government.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved Investment Pools.

Investments are stated at cost or amortized cost. The Village Council will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Village had advances from the Village of Clinton Robison Trust to the Water and Sewer Funds.

Personal property taxes receivable is shown net of an allowance for uncollectibles.

Property taxes are levied as of July 1 on property values assessed as of the prior December 1. The billing is mailed on July 1 and is considered due upon receipt by the taxpayer; however, the actual due date is September 14. A lien on property occurs when property taxes are levied (July 1). On September 14, the bill becomes delinquent and penalties and interest may be assessed by the government.

The Village had a general tax millage of 8.80 for 2006. The Village's maximum allowable millage is 12.5 mills. It also levied 0.78 mills for the Smith-Kimball Community Center.

Also, the Village levies a tax on certain properties for the Downtown Development Authority.

Delinquent real property taxes are turned over to the County and reimbursed through a revolving fund. Therefore, property taxes receivable are not accounted for under the 60 day rule.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., road, storm sewers and utility systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, buildings, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land improvements	30
Buildings	15 – 16
Machinery, equipment, and furnishings	10 – 20
Utility systems	20 – 60
Infrastructure	20 – 30

5. Compensated absences

The current portion of the liability for accumulated sick, personal, vacation, and compensated time vested is shown in the relative governmental funds. The total (current and long-term portions) are shown in the Proprietary Funds and in the government-wide statements.

6. Long-term obligations

In the governmental-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types recognize any bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The accounting basis used by the Village for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Village follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Village have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

B. Excess of expenditures over appropriations in budgetary funds

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Village for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2007, the Village incurred expenditures in the governmental funds which were in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund			
Election	\$ 300	\$ 397	\$ 97
Building and grounds	225,850	228,803	2,953
Planning Commission	13,750	16,352	2,602
Street lighting	48,000	51,742	3,742
Waste collection and disposal	86,500	87,340	840
Major Street			
Construction Project	-	2,787	2,787

These additional expenditures were funded by greater than anticipated revenues.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The Village limits its exposure to interest rate risk keeping certificate of deposits at short term maturation, as noted below. However, in the managed accounts at United Bank and Trust 81% to 87% of the investments are fixed income securities, which are subject to interest rate risk.

The Village is subject to credit risk having a large portion of cash and investments which are uninsured.

The Village is also subject to custodial credit risk having 83% of investments with United Bank & Trust and 14% of investment with TLC Community Credit Union. All demand deposits are with Comerica Bank.

Primary Government

At year end, bank deposits amounted to \$1,353,619. Of this amount \$100,000 was covered by Federal Depository Insurance and \$1,253,619 was uninsured and uncollateralized. At certain times of the year, especially when property taxes are being collected, the Village's uncollateralized deposits increase significantly; as a result, the amounts of uncollateralized deposits at those times were higher. All deposits are with banks located in Michigan as required by statutes.

At year end, bank balances, net of checks written but not cleared, as recorded in the financial statements were \$1,142,763. Of that amount, \$33,876 was in cash and checking; and \$1,108,887 in the 'J Fund' account. Such accounts are authorized by statutes.

Component Unit

Deposits. The component unit had deposits with a carrying value and bank balance of \$130,895 at year end. This account is part of the J Fund with Comerica Bank.

Primary Government

The Village had investments with carrying value and bank balance of \$4,246,080 at year end of which \$300,000 is covered by Federal Depository Insurance. Investments consists of::

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

<u>Certificates of Deposit</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance</u> <u>March 31, 2007</u>
General Fund	5/13/07	4.10	\$ 52,504
General Fund	9/24/07	5.00	116,086
Electric Fund	9/24/07	5.00	290,213
Fire Fund	6/29/07	4.95	23,099
Fire Fund	-	3.05	6,000
Sewer Fund	9/24/07	5.00	100,000
Water Fund	9/24/07	5.00	58,043
 <u>Money Market</u>			
Electric Fund	-	3.90	215,878
Electric Fund	-	3.46	217,272
Sewer Fund	-	2.68	23,420
 <u>Managed Accounts at United Bank & Trust</u>		<u>Current Yield</u>	
Village of Clinton Robison Trust		4.66	1,492,062
John F. Robison Tate Park		4.62	<u>1,651,503</u>
			<u>\$ 4,246,080</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of year end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Community Center</u>
Receivables:				
Taxes	\$ 32,418	\$	\$	\$ 2,872
Accounts	7,262			
Intergovernmental		9,947	3,586	
Accrued interest	<u>2,737</u>	<u>347</u>	<u> </u>	<u>411</u>
Gross receivables	42,417	10,294	3,586	3,283
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 42,417</u>	<u>\$ 10,294</u>	<u>\$ 3,586</u>	<u>\$ 3,283</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

<u>Fire Fund</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Equipment Fund</u>	<u>Total</u>	<u>Component Unit – DDA</u>
\$	\$	\$	\$	\$	\$	\$
	295,950	14,997	60,429		35,290	350
			69,078		378,638	
			2,756		82,611	
<u>180</u>	<u>6,324</u>	<u>1,135</u>	<u>2,756</u>	<u>217</u>	<u>14,107</u>	<u>433</u>
180	302,274	16,132	132,263	217	510,646	783
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 180</u>	<u>\$ 302,274</u>	<u>\$ 16,132</u>	<u>\$ 132,263</u>	<u>\$ 217</u>	<u>\$ 510,646</u>	<u>\$ 783</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2007 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 266,152	\$ 19,000	\$	\$ 285,152
Construction in progress	<u>187,815</u>	<u></u>	<u>187,815</u>	<u></u>
Total capital assets, not being depreciated	<u>453,967</u>	<u>19,000</u>	<u>187,815</u>	<u>285,152</u>
Capital assets, being depreciated:				
Land improvements	568,443	1,421		569,864
Buildings	1,154,425	47,525		1,201,950
Equipment, machinery, and furnishings	1,489,697	183,733		1,673,430
Infrastructure	<u>4,068,606</u>	<u>2,787</u>	<u></u>	<u>4,071,393</u>
Total capital assets, being depreciated	<u>7,281,171</u>	<u>235,466</u>	<u>-</u>	<u>7,516,637</u>
Less: Accumulated depreciation for:				
Land improvements	(203,008)	(18,995)		(222,003)
Buildings	(732,579)	(24,039)		(756,618)
Equipment, machinery, and furnishings	(988,643)	(138,146)		(1,126,789)
Infrastructure	<u>(2,603,883)</u>	<u>(129,455)</u>	<u></u>	<u>(2,733,338)</u>
Total accumulated depreciation	<u>(4,528,113)</u>	<u>(310,635)</u>	<u>-</u>	<u>(4,838,748)</u>
Total capital assets, being depreciated, net	<u>2,753,058</u>	<u>(75,169)</u>	<u>-</u>	<u>(2,677,889)</u>
Governmental activities, capital assets – net	<u>\$ 3,207,025</u>	<u>\$ (56,169)</u>	<u>\$ 187,815</u>	<u>\$ 2,963,041</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 30,644	\$ -	\$ -	\$ 30,644
Construction in Progress	<u>3,235,580</u>	<u> </u>	<u>(3,235,580)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>3,266,224</u>	<u> </u>	<u>(3,235,580)</u>	<u>30,644</u>
Capital assets, being depreciated:				
Utility systems	<u>8,793,077</u>	<u>4,082,804</u>	<u>(1,724,099)</u>	<u>11,151,782</u>
Total capital assets, being depreciated	<u>8,793,077</u>	<u>4,082,804</u>	<u>(1,724,099)</u>	<u>11,151,782</u>
Less: Accumulated depreciation for:				
Utility systems	<u>(4,700,960)</u>	<u>(208,423)</u>	<u>1,724,099</u>	<u>(3,185,284)</u>
Total accumulated depreciation	<u>(4,700,960)</u>	<u>(208,423)</u>	<u>1,724,099</u>	<u>(3,185,284)</u>
Total capital assets, being depreciated – net	<u>(4,092,117)</u>	<u>3,874,381</u>	<u>-</u>	<u>7,966,498</u>
Business-type activities, capital assets – net	<u>\$ 7,358,341</u>	<u>\$ 3,874,381</u>	<u>\$(3,235,580)</u>	<u>\$ 7,997,142</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 28,127
Public safety	64,874
Culture and recreation	51,239
Highways and streets	<u>166,395</u>
Total depreciation expense – governmental activities	<u>\$ 310,635</u>
Business-type activities:	
Utility systems	<u>\$ 208,423</u>
Total depreciation expense – business-type activities	<u>\$ 519,058</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 269,000	\$ 187,815	\$	\$ 456,815
Less: Accumulated depreciation for:				
Land improvements	<u>(78,900)</u>	<u>(15,227)</u>	<u> </u>	<u>(94,127)</u>
DDA capital assets – net	<u>\$ 190,100</u>	<u>\$ 172,588</u>	<u>\$ -</u>	<u>\$ 362,688</u>

D. Interfund receivables, payables, and transfers

Primary Government

Due to/from other funds:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
Local Street	\$ 2,377	General	\$ 2,377
Major Street	192	Local Street	192
General	<u>64,395</u>	Tate Park	<u>64,395</u>
Total	<u>\$ 66,964</u>		<u>\$ 66,964</u>

Advance to/from other funds:

Village of Clinton- Robison Trust	<u>112,000</u>	Water Fund	35,840
		Sewer Fund	<u>76,160</u>
Total	<u>\$ 112,000</u>		<u>\$ 112,000</u>

Due to/from primary government and component unit:

<u>Receivable Entity</u>		<u>Payable Entity</u>	
Downtown Development Authority (Component Unit)	<u>\$ 2,963</u>	General Fund (Primary Government)	<u>\$ 2,963</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers:

Transfers out:	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Local Street</u>	<u>Debt Service</u>	<u>Sewer Fund</u>	
General	\$	\$ 30,000	\$	\$	\$ 30,000
Major Street		15,000			15,000
Downtown Development Authority			29,400		29,400
Tate Park Trust	64,395				64,395
Robison Trust	<u>26,731</u>			<u>44,923</u>	<u>71,654</u>
Total	<u>\$ 91,126</u>	<u>\$ 45,000</u>	<u>\$ 29,400</u>	<u>\$ 44,923</u>	<u>\$ 210,449</u>

E. Long-term debt

Debt related to governmental activities

The Village has a general obligation debt (2003 General Obligation Limited Bond issue) which funded capital improvements. The original bond issue was \$410,000 with an interest rate at 7% and final maturity at May 1, 2019. Outstanding balance at March 31, 2007 was \$365,000.

Also the Village has an installment purchase loan of \$95,000 to provide funds for the purchase property at 114 Jackson St., Clinton for future expansion of the Fire Department. This loan has an interest rate of 6.025% and final maturity is November 1, 2015. Outstanding balance at March 31, 2007 was \$87,000.

Annual debt service requirements to maturity for these debt obligations are as follows.

Government Activities

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 28,000	\$ 19,079
2009	29,000	17,948
2010	34,000	17,346
2011	34,000	15,245
2012 – 2016	192,000	52,750
2017 – 2021	<u>135,000</u>	<u>12,139</u>
	<u>\$ 452,000</u>	<u>\$ 134,507</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long term debt

Debt related to business-type activities

The Village of Clinton has issued bonds (Village of Clinton Sewage Disposal System Revenue Bond, Series 2006) for the purpose of funding a new sewer plant. The amount of the issue is \$4,000,000 at an interest rate of 1.625%. Under a purchase contract, the Michigan Municipal Bond Authority has acquired all the bonds, and is paying the bond proceeds through the State Water Pollution Control Revolving Fund, commonly known as State Revolving Fund (SRF). Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2007 was \$3,830,000.

Annual Debt Service requirements to maturity are projected as follows:

Business-type Activities

<u>Year Ending</u> <u>March 31,</u>	<u>Principal</u>
2009	175,000
2010	175,000
2011	180,000
2012	180,000
2013	185,000
2014 - 2018	975,000
2019 - 2023	1,055,000
2024 - 2027	905,000
	<u>\$ 3,830,000</u>

Debt related to Downtown Development Authority (Component Unit)

The Downtown Development Authority (DDA) issued bonds (1994 Downtown Development Bonds) for capital improvements in the downtown area. The total issue was \$195,000 at an interest rate of 6.25% and final maturity is May 1, 2009. The outstanding balance at March 31, 2007 was \$85,000.

The DDA also has an installment purchase loan of \$100,000 for parking lot improvements. This loan is at 6.197% interest rate and final maturity is November 1, 2009. The outstanding balance at March 31, 2007 was \$44,000.

Annual debt service requirements on these debt obligations are as follows:

Component Unit - DDA

<u>Year Ending</u> <u>March 31</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 35,000	\$ 7,007
2009	41,000	4,599
2010	<u>53,000</u>	<u>2,033</u>
	<u>\$ 129,000</u>	<u>\$ 13,639</u>

VILLAGE OF CLINTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E Long Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2007:

	<u>Governmental Activities</u>		<u>Business-Type Activity</u>	<u>Component Unit</u>		<u>Accrued Employee Benefits</u>	<u>Total</u>
	<u>Installment Purchase</u>	<u>Primary Government Bond Issue</u>	<u>Bond Issue</u>	<u>DDA Installment Purchase</u>	<u>DDA Bond Issue</u>		
Long-term debt at March 31, 2006	\$ 95,000	\$ 380,000	\$3,180,872	\$ 54,000	\$ 108,000	\$ 153,755	\$3,971,627
Loan Proceeds			819,128				819,128
Principal payment	(8,000)	(15,000)	(170,000)		(23,000)		(216,000)
Increase in accrued employee benefits						13,604	13,604
Long term note payable - United Bank & Trust				(10,000)			(10,000)
Long-term debt at March 31, 2007	\$ 87,000	\$ 365,000	\$3,830,000	\$ 44,000	\$ 85,000	\$ 167,359	\$4,578,359

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. Advance (loan) to other funds

The Village of Clinton Robison Trust has loaned money to the Water Fund (\$40,000) and Sewer Fund (\$85,000). The promissory note with the Village states annual payments on principal will be made by November 1, and interest at 4.5% will be paid each May 1 and November 1. The final payment on the note is due January 15, 2014.

Annual debt service requirements to maturity for this loan are as follows:

<u>Business-Type Activities</u>				
Year Ending <u>March 31,</u>	<u>Water Fund</u>		<u>Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	4,480	1,612	9,520	3,428
2009	4,800	1,412	10,200	2,998
2010	4,800	1,196	10,200	2,540
2011	5,120	980	10,880	2,080
2012 – 2014	<u>16,640</u>	<u>1,512</u>	<u>35,360</u>	<u>3,214</u>
	<u>\$ 35,840</u>	<u>\$ 6,712</u>	<u>\$ 76,160</u>	<u>\$ 14,260</u>

NOTE 4. PROPERTY LIABILITY, UNEMPLOYMENT, AND WORKMEN'S COMPENSATION INSURANCE COVERAGE

The Village is a member of the Michigan Township Participating Plan for insuring its properties and for general liability.

The Village is a member of the Municipal Unemployment Compensation Group Account under the Michigan Municipal League for unemployment coverage.

Workers' Compensation coverage is under the Michigan Municipal League Workers' Compensation Fund.

Any contingent liabilities under these arrangements are not known.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 5. OTHER INFORMATION

Retirement Plan

A. Plan Description

The Village contributes to the Michigan Municipal Employees' Retirement System (MERS), an agent multi-employer defined benefit pension plan, which provides retirement benefits to all full-time employees of the Village. MERS is administered by its Board of Trustees. The actuary for the System is Gabriel, Roeder, Smith & Company. The Municipal Employees' Retirement Act of 1984, as amended by 1996 Public Act 220 of the State of Michigan, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities; for the Village of Clinton, that authority rests with the Village. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 447 North Canal Road, Lansing, Michigan 48917.

B. Funding Policy

Employees make contributions under the plan. The Village is required to contribute the actuarially determined amount each year.

C. Annual Pension Cost

For the year ended March 31, 2007, the Village's required annual pension contribution was zero. The required contribution was determined as part of the December 31, 200_ actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included -

[a] 8.0% investment rate of return,

[b] projected salary increases of 4.5% per year compounded annually,

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 5. OTHER INFORMATION (Continued)

The actuarial value of MERS' assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a five year period.

Actuarial Accrued Liability (as of 12/31/05)		\$
Retirees and beneficiaries currently receiving benefits	421,299	
Terminated employees not yet receiving benefits	159,638	
Current employees --		
Accumulated employee contributions including allocated investment income	141,902	
Employer financed	<u>1,994,606</u>	
Total Actuarial Accrued Liability	2,717,445	
Net Assets Available for Benefits at Actuarial Value	<u>2,701,214</u>	
(Market Value is \$2,630,035)		
Unfunded (Overfunded) Actuarial Accrued Liability	<u>\$ 16,231</u>	

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2005	\$ 10,416	100%	0
March 31, 2006	46,512	100%	0
March 31, 2007	50,988	100%	0

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 5. OTHER INFORMATION (Continued)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) Entry Age [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/00	\$ 1,747,024	\$ 1,695,354	\$ (51,670)	103	\$ 636,397	-0-
12/31/01	1,874,502	1,684,799	(189,703)	111	621,918	-0-
12/31/02	1,976,140	1,836,659	(139,481)	108	698,097	-0-
12/31/03	2,200,887	2,280,159	79,272	97	727,524	11
12/31/04	2,444,704	2,491,190	46,486	98	751,753	6
12/31/05	2,701,214	2,717,445	16,231	99	802,735	2

NOTE 6. DEFERRED COMPENSATION PLAN

The Village provides its employees a Deferred Compensation Plan, created in accordance with the Internal Revenue Code Section 457, that is administered by the ITT Hartford Insurance Group. The Plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

Under the deferred compensation plan, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY

The Village is a member municipality of the Michigan South Central Power Agency. The Michigan South Central Power Agency (the "Agency") is a public body politic and corporate of the State of Michigan organized on March 21, 1978, under the authority of Michigan Public Act 448 of 1976 (the "Act"), to supply electricity to member municipalities in South Central Michigan. The Act provides that the Agency will establish rates and charges so as to produce revenues sufficient to cover its costs (excluding depreciation and amortization expense) including debt service, but it may not operate its projects for profit, except insofar as any such profit will inure to the benefit of the public. Each member municipality appoints one member to the Board of the Agency. The member municipalities and their percentage shares are as follows:

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY (Continued)

<u>Municipality</u>	<u>Percentage Share</u>
Clinton	6.5
Coldwater	40.0
Hillsdale	25.5
Marshall	24.0
Union City	<u>4.0</u>
	<u>100.0</u>

Each member is a municipal corporation, organized under the laws of the State of Michigan, which owns and operates a municipal electric system. The member municipalities presently supply their customers with power and energy generated from the Agency's Project I and from the municipalities' existing generating facilities and also with power purchased from other utility companies.

Each of the member municipalities entered into (a) a Power Sales Contract with the Agency for the supply of power and energy from the Agency, and (b) a Substation Agreement with the Agency for services provided by the Agency to the member municipality with respect to substation facilities; both of these agreements will remain in effect as long as the Power Supply System Revenue Refunding Bonds, 1994, 1992, 1991, and 1986 Series are outstanding. Each member municipality also entered into an Economic Dispatch Agreement with the Agency providing for the dispatch by the Agency of power and energy from certain existing generating facilities of the member municipalities on an economic basis. The Power Sales Contracts between the Agency and the member municipalities require the Agency to provide, and the member municipalities to purchase from the Agency, all of the members' bulk power supply, as defined in the contracts. Each member is obligated to pay its share of the Agency's operating and debt service costs of Project I. The Substation Agreements require the Agency to provide, and the municipalities to purchase, services of the municipalities' substation facilities for transmission, transformation, and delivery of electric power and energy from the Agency to the municipalities. Under the Economic Dispatch Agreement, the member municipalities are required to sell to the Agency power generated by their facilities, defined as dedicated capacity.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY (Continued)

Michigan South Central Power Agency's revenue bonds outstanding are as follows:

	June 30	
	<u>2006</u>	<u>2005</u>
1992 Series – 3.50% to 5.90% Serial Bonds, maturing annually on November 1, 1997 to 2006	\$ 7,485,000	\$ 21,605,000
1994 Series – 3.375% Term bonds, due November 1, 2011	9,200,000	8,385,000
2000 Series – 6.00% Serial Bonds, maturing annually on May 1, 2010 to 2012	6,000,000	6,475,000
2002 Series – 5.00% Serial Bonds, maturing annually on November 21, 2008 to 2011	31,190,000	31,190,000
2003 Series – 4.08% Bonds , maturing annually on November 1, 2004 to 2010	<u>1,489,797</u>	<u>2,072,283</u>
Total outstanding debt	<u>\$ 55,364,797</u>	<u>\$ 69,727,283</u>

These are revenue bonds secured by pledges of revenues earned, as well as assets in funds established by bond resolution

A summary of financial information on Michigan South Central Power Agency at June 30, 2006 and 2004 follows:

	<u>2006</u>	<u>2005</u>
Total assets	\$ 76,241,628	\$ 81,830,162
Total liabilities	58,736,861	66,606,581
Net assets	17,504,767	15,223,581
Operating revenues	44,961,391	38,634,773
Operating expenses	37,275,616	30,968,241
Income from operations	7,685,775	7,666,532
Investment and miscellaneous income	1,271,640	1,107,040
Interest and amortization expense	(3,830,787)	(4,557,764)
Other expense	(1,213,439)	(1,213,439)
Realized and Unrealized Gain (Loss) on investments	(476,090)	(344,900)
Cumulative effect of change in accounting principles	(2,369,352)	
Change in net assets	2,281,186	2,657,469

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2007

NOTE 8. VILLAGE OF CLINTON – ROBISON TRUST

The Village has created a trust funded by unrestricted gifts from the Estate of John F. Robison (\$1,604,062). It is the intent of the Village that all gifts to this trust will be held as endowments with the principal invested permanently and the investment income to be used for the benefit of the Village of Clinton.

NOTE 9. JOHN R. ROBISON TATE PARK TRUST

This trust has been created by the Village to provide a legal entity for handling the restricted gifts from the Estate of John F. Robison (\$1,587,108). The donor has restricted the use of these gifts to the operation, improvement, and maintenance of Tate Park. Both principal and investment income can be used for the restricted purposes.

VILLAGE OF CLINTON, MICHIGAN

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

March 31, 2007
With Comparative Totals for March 31, 2006

	Debt Service	Major Street Fund	Local Street Fund	Community Center Fund	Softball Program	Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
ASSETS							
Cash and cash equivalents	\$ 161	\$ 113,684	\$ 13,948	\$ 78,901	\$ 285	\$ 206,979	\$ 249,667
Receivables (net of allowance allowance for uncollectibles):							
Property taxes		9,947	3,586	2,872	2,872	2,872	1,134
Due from other governmental units		347		411	13,533	13,533	13,935
Accrued interest		192	2,377		758	2,569	681
Due from other funds		126	126	1,762	2,014	2,014	2,569
Prepaid expenses and other assets							9,664
Total assets	\$ 161	\$ 124,296	\$ 20,037	\$ 83,946	\$ 285	\$ 228,725	\$ 277,650
LIABILITIES							
Accounts payable	\$	\$ 139	\$	\$ 1,083	\$ 64	\$ 1,286	\$ 6,658
Accrued expenses		648	621	438		1,707	24,979
Due to other funds			192			192	192
Total liabilities	\$ -	\$ 787	\$ 813	\$ 1,521	\$ 64	\$ 3,185	\$ 31,829
FUND BALANCES							
Reserved for:							
Debt Service	\$ 161	\$ 123,509	\$ 19,224	\$ 82,425	\$ 221	\$ 225,379	\$ 245,670
Unreserved, undesignated							
Total fund balance	161	123,509	19,224	82,425	221	225,540	245,821
Total liabilities and fund balances	\$ 161	\$ 124,296	\$ 20,037	\$ 83,946	\$ 285	\$ 228,725	\$ 277,650

The notes to the financial statement:

VILLAGE OF CLINTON, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2007

	Debt Service	Major Street Fund	Local Street Fund	Community Center Fund	Softball Program	Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
Revenues:							
Property taxes	\$	\$	\$	\$ 51,901	\$	\$ 51,901	\$ 50,586
Intergovernmental revenues:							
State gas weight tax		103,723	37,398			141,121	142,688
County revenue sharing		5,675	442	3,995		10,112	7,255
Interest							
Licenses, fees and charges for services:							
Fee revenue							
Rentals				8,015	3,940	3,940	13,180
Township contributions						8,015	7,334
Miscellaneous		66	375			441	172,951
Sale of Equipment							1,995
							16,000
Total revenues	\$ -	\$ 109,464	\$ 38,215	\$ 63,911	\$ 3,940	\$ 215,530	\$ 411,989
Expenditures:							
Highways and streets		88,752	88,226			176,978	124,746
Debt service:							
Principal	15,000					15,000	15,000
Interest	14,390					14,390	14,848
Public safety:							
Fire							178,739
Culture and recreation:							
Softball program				51,772	5,220	5,220	12,711
Community Center						51,772	39,943
Total expenditures	\$ 29,390	\$ 88,752	\$ 88,226	\$ 51,772	\$ 5,220	\$ 263,360	\$ 385,987

The notes to the financial statements at

	Debt Service	Major Street Fund	Local Street Fund	Community Center Fund	Softball Program	Total Nonmajor Governmental Funds 2007	2006
Excess (deficiency) of revenues over (under) expenditures	<u>(29,390)</u>	<u>20,712</u>	<u>(50,011)</u>	<u>12,139</u>	<u>(1,280)</u>	<u>(47,830)</u>	<u>26,002</u>
Other financing sources (uses):							
Transfers in	<u>29,400</u>	<u>(15,000)</u>	<u>45,000</u>			<u>74,400</u>	<u>74,178</u>
Transfers out						<u>(15,000)</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>29,400</u>	<u>(15,000)</u>	<u>45,000</u>			<u>59,400</u>	<u>54,175</u>
Net change in fund balances	<u>10</u>	<u>5,712</u>	<u>(5,011)</u>	<u>12,139</u>	<u>(1,280)</u>	<u>11,570</u>	<u>80,180</u>
Fund balances – beginning of year	<u>151</u>	<u>117,797</u>	<u>24,235</u>	<u>70,286</u>	<u>1,501</u>	<u>213,970</u>	<u>165,641</u>
Fund balances – end of year	<u>\$ 161</u>	<u>\$ 123,509</u>	<u>\$ 19,224</u>	<u>\$ 82,425</u>	<u>\$ 221</u>	<u>\$ 225,540</u>	<u>\$ 245,821</u>

VILLAGE OF CLINTON, MICHIGAN

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ _____	\$ _____	\$ _____	\$ _____
Total revenues	_____	_____	_____ -	_____
Expenditures:				
Debt Service:				
Principal	15,000	15,000	15,000	--
Interest	<u>14,400</u>	<u>14,400</u>	<u>14,390</u>	<u>10</u>
Total expenditures	<u>29,400</u>	<u>29,400</u>	<u>29,390</u>	<u>10</u>
Deficiency of revenues under expenditures	(29,400)	(29,400)	(29,390)	10
Other financing sources:				
Transfers in	<u>29,400</u>	<u>29,400</u>	<u>29,400</u>	<u>--</u>
Net change in fund balance	-	-	10	10
Fund balance – beginning of year			<u>151</u>	
Fund balance – end of year			<u>\$ 161</u>	

VILLAGE OF CLINTON, MICHIGAN

MAJOR STREET SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gas weight tax	\$ 95,000	\$ 95,000	\$ 103,723	\$ 8,723
County revenue sharing	1,000	1,000	-	(1,000)
Interest	1,000	1,000	5,675	4,675
Miscellaneous			66	66
Total revenues	<u>97,000</u>	<u>97,000</u>	<u>109,464</u>	<u>12,464</u>
Expenditures:				
Routine maintenance	56,800	60,800	58,467	2,333
Traffic service	7,130	7,130	4,604	2,526
Winter maintenance	11,180	11,180	8,714	2,466
Administrative	14,340	14,340	14,180	160
Construction projects			2,787	(2,787)
Total expenditures	<u>89,450</u>	<u>93,450</u>	<u>88,752</u>	<u>4,698</u>
Excess (deficiency) of revenues over (under) expenditures	7,550	3,550	20,712	17,162
Other financing uses:				
Transfers out	(23,000)	(26,000)	(15,000)	11,000
Transfers in				
Net change in fund balance	(15,450)	(22,450)	5,712	28,162
Fund balance – beginning of year			<u>117,797</u>	
Fund balance – end of year			<u>\$ 123,509</u>	

VILLAGE OF CLINTON, MICHIGAN

LOCAL STREET SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gas weight tax	\$ 35,000	\$ 35,000	\$ 37,398	\$ 2,398
Interest			442	442
Miscellaneous			375	375
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>38,215</u>	<u>3,215</u>
Expenditures:				
Routine maintenance	68,280	71,280	60,971	10,309
Traffic service	5,630	5,630	4,066	1,564
Winter maintenance	12,290	12,290	9,009	3,281
Administrative	<u>14,340</u>	<u>14,340</u>	<u>14,180</u>	<u>160</u>
Total expenditures	<u>100,540</u>	<u>103,540</u>	<u>88,226</u>	<u>15,314</u>
Excess (deficiency) of revenues over (under) expenditures	(65,540)	(68,540)	(50,011)	18,529
Other financing sources:				
Transfers in	<u>65,540</u>	<u>68,540</u>	<u>45,000</u>	<u>(23,540)</u>
Net change in fund balance	-	-	(5,011)	(5,011)
Fund balance – beginning of year			<u>24,235</u>	
Fund balance – end of year			<u>\$ 19,224</u>	

VILLAGE OF CLINTON, MICHIGAN

COMMUNITY CENTER FUND SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 52,200	\$ 52,200	\$ 51,901	\$ (299)
Miscellaneous				
Rentals	6,800	6,800	8,015	1,215
Interest	<u>1,000</u>	<u>1,000</u>	<u>3,995</u>	<u>2,995</u>
Total revenues	60,000	60,000	63,911	3,911
Expenditures:				
Community Center expenses	<u>60,000</u>	<u>60,000</u>	<u>51,772</u>	<u>8,228</u>
Excess (deficiency) of revenues over (under) expenditures			12,139	12,139
Fund balance – beginning of year			<u>70,286</u>	
Fund balance – end of year			<u>\$ 82,425</u>	

VILLAGE OF CLINTON, MICHIGAN

SOFTBALL PROGRAM SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$	\$	\$	\$
Township contributions				
Interest	<u>13,000</u>	<u>13,000</u>	<u>3,940</u>	<u>(9,060)</u>
Total revenues	13,000	13,000	3,940	(9,060)
Expenditures:				
Softball program expenses	<u>13,000</u>	<u>13,000</u>	<u>5,220</u>	<u>7,780</u>
Excess (deficiency) of revenues over (under) expenditures			(1,280)	(1,280)
Fund balance – beginning of year			<u>1,501</u>	
Fund balance – end of year			<u>\$ 221</u>	